

# CRYPTOLOGIC

## CRYPTOLOGIC RELEASES 2020 THIRD QUARTER FINANCIAL RESULTS

TORONTO, Ontario, November 6, 2020 - Cryptologic Inc. (“**Cryptologic**” or the “**Company**”) (CSE:CRY) today announces its financial results for the quarter ended September 30, 2020. Selected financial information of the Company for the three and nine months ended September 30, 2020 and 2019 and the year ended December 31, 2019 is set forth below:

	Three Months Ended September 30,		Nine Months Ended September 30,		Year Ended December 31,
	2020	2019	2020	2019	2019
Net income (loss) and comprehensive income (loss) from continuing operations	\$ 1,896,912	\$ (2,658,717)	\$ (4,077,844)	\$ (7,244,131)	\$ (16,962,291)
Net income (loss) and comprehensive income (loss)	(1,087,124)	2,141,330	(4,642,733)	1,867,898	(11,722,599)
Total assets	8,304,159	28,472,513	8,304,159	28,472,513	15,581,954
Total liabilities	263,621	38,541,134	263,621	38,541,134	38,847,679
Basic and diluted net income (loss) and comprehensive income (loss) per common share from continuing operations	\$ 0.04	\$ (0.21)	\$ (0.16)	\$ (0.57)	\$ (1.33)
Basic and diluted net income (loss) and comprehensive income (loss) per common share	\$ 0.00	\$ 0.17	\$ (0.21)	\$ 0.15	\$ (0.92)

The Company reported a net loss of \$1.1 million for the quarter ended September 30, 2020 as compared to net income of \$2.1 million for the same quarter in the previous year. The Company reported a net income of \$1.9 million for the nine months ended September 30, 2020 as compared to a net loss of \$11.7 million for the same period in the previous year.

On April 8, 2020, the Company announced that it sold the shares of its wholly-owned subsidiary 9376-9974 Quebec Inc. to HIVE Blockchain Technologies Ltd. (“Hive”). As consideration, Hive issued 15,000,000 of its common shares (“Hive Shares”) and paid \$1,956,231 in cash. In addition, Hive has agreed to invest \$3,000,000 in 9376-9974 Quebec Inc. Thirty days after closing of the transaction, the Company settled \$221,916 in working capital adjustment to Hive for net cash proceeds of \$1,734,315.

On August 7, 2020, the Company announced that, in order to conserve its cash while it considers acquisition opportunities or other strategic transactions, the Company (i) terminated the lease of its wholly-owned subsidiary, Crypto 205 Inc., at its cryptocurrency mining facility in Pointe-Claire, Quebec, effective July 31, 2020, and (ii) terminated the employment contracts of all of its employees, including Chief Executive Officer, John Kennedy FitzGerald, Chief Financial Officer, Joshua Lebovic and Chief Operating Officer, Paul Leggett, effective July 31, 2020.

Mr. FitzGerald and Mr. Lebovic will provide ongoing services to the Company, as Chief Executive Officer and Chief Financial Officer respectively, pursuant to part-time consulting arrangements.

On August 10th, 2020, the lockup on the Hive Shares expired and the Company commenced liquidating the shares in accordance with the terms set out in the sales agreement. The Company recognized total proceeds of \$5,559,349 on liquidation of a portion of the Company’s balance of Hive Shares. As of the filing of this release, the Company has fully exited its position of Hive Shares.

As of end of day November 6, 2020, the company had cash and cash equivalents of approx. \$7.9 million and payables of \$0.1 million.

The financial statements for the three and nine months ended September 30, 2020 and the related management's discussion and analysis ("MD&A") are available on Cryptologic's SEDAR profile at [www.sedar.com](http://www.sedar.com).

For information or interview please contact:

Joshua Lebovic  
Chief Financial Officer  
(647) 715-3707

### **About Cryptologic Inc.**

Cryptologic Corp. is currently a cryptocurrency mining company that is focused on divesting its crypto mining assets and exploring acquisition opportunities in sectors outside of cryptocurrency mining.

### **Cautionary Note Regarding Forward-Looking Information**

Certain statements in this press release, including statements with respect to the Company's position to enter other aspects of cryptocurrency mining, contain forward-looking information which can be identified by the use of forward looking terminology such as "believes", "expects", "may", "desires", "will", "should", "projects", "estimates", "contemplates", "anticipates", "intends", or any negative such as "does not believe" or other variations thereof or comparable terminology. No assurance can be given that potential future results or circumstances described in the forward-looking statements will be achieved or will occur. By their nature, these forward-looking statements necessarily involve risks and uncertainties, including the risk that costs will be higher than anticipated reducing margins, that expense reductions will not be realized, the risk that the price of power to the Company increases and other risks and uncertainties discussed herein, that could cause actual results to significantly differ from those contemplated by these forward-looking statements. Such statements reflect the view of the Company with respect to future events and are based on information currently available to the Company and on assumptions, which it considers reasonable. Management cautions readers that the assumptions relative to the future events, several of which are beyond management's control, could prove to be incorrect, given that they are subject to certain risk and uncertainties, and that actual results may differ materially from those projected. Other factors which could cause results or events to differ from current expectations include, among other things, the impact of general economic, industry and market conditions. Management disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information. The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.